Ark Capital - Daily Market Brief

Tuesday 9 Dec 2025

Summary - GLIDE

U.S. equities slipped modestly from record levels, with the S&P 500, Dow and Nasdaq all down less than half a percent as investors locked in gains ahead of the Fed's final 2025 meeting. Sector performance was narrow: communication services led declines on streaming-related weakness, while tech held up thanks to sharp M&A-driven moves in names like Confluent. Index reshuffles added idiosyncratic volatility, with Carvana, Ares and other upcoming S&P entrants outperforming on index-driven flows. U.S. Treasury yields ticked higher on concerns that a widely expected cut may be paired with cautious guidance for 2026. The dollar eased slightly as the yuan strengthened following China's export beat, while gold hovered near record highs and oil softened on Ukraine ceasefire signals and pre-Fed de-risking. European equities were little changed, with staples under pressure and defence and autos providing support.

Takeaway: The tape still prices a benign cut; risk is skewed to disappointment if the Fed delivers a hawkish message.

- **G – Growth:** China's stronger exports and still-resilient U.S. data support a "slowing, not stalling" global cycle, tempering hard-landing worries.
- **L – Leadership:** M&A activity and index additions in names like Confluent and Carvana drive sharp single-stock spikes, outshining relatively muted megacap tech moves.
- **I – Inventory:** Softer oil on Ukraine ceasefire hopes keeps pressure on upstream producers to maintain discipline, while downstream refiners and chemicals still face uneven margins.
- **D – Dollar:** The DXY edges lower as investors price a high probability of a Fed cut, encouraging a tentative shift back into higher-beta and EM assets.
- **E – Extensions:** Robust Chinese exports and increased rare-earth shipments bolster EM Asia FX and industrial metals, reinforcing the narrative of gradually improving external demand.

Bias: Mild OW quality U.S. equities, OW investment-grade credit, UW broad dollar, neutral duration with preference for belly of UST curve..

Key Pivots: DXY ~99, Brent $78–82, UST 2Y around policy corridor, 2s10s spread shape, China export momentum and EM FX resilience.

Top Headlines

- Fed decision looms as futures price ~90% odds of a 25 bp cut, but officials appear unusually divided.
- IBM to buy Confluent for $11bn in cash, boosting AI-data infrastructure ambitions and sending Confluent shares up about 29%.
- Paramount Skydance launches a $108.4bn hostile all-cash bid for Warner Bros Discovery, escalating the Hollywood consolidation battle.
- Netflix shares fall over 3% as investors worry it may overpay in a competing bid for Warner Bros Discovery.
- China's November exports beat forecasts, pushing the annual surplus above $1tn and lifting the yuan ahead of key policy meetings.
- Mexico considers tariffs of up to 50% on Chinese and other Asian imports, though recent signals suggest a softer implementation path.
- European staples drag the STOXX 600 as Unilever drops 3.7% after the Magnum spin-off and L'Oréal slips on its Galderma stake increase.
- Ares Management jumps over 7% after being selected for inclusion in the S&P 500, extending the index-addition rally trend.

Notable Policy & Macro Developments

Event	Score	Market Impact & Implication	Key Risk
Fed meeting (25 bp cut priced)	5	Expected cut supports risk assets; a split Fed could curb optimism.	Hawkish guidance could lift yields and pressure growth stocks.
China exports beat	3	Strength aids Asian FX and cyclicals but highlights reliance on global demand.	New tariffs or slowdown could reverse gains.
Rare-earth export jump	2	Eases supply concerns for EVs and defence.	Policy tightening could trigger fresh shortages and price spikes.
Mexico tariff plans	3	Could redirect trade and support local producers.	Retaliation and higher costs risk EM and auto supply chains.
Tariff tracker updates	2	Ongoing trade uncertainty weighs on capex confidence.	Escalation could spark renewed risk-off, especially in cyclicals.

***Score reflects event importance/market impact; 5 = highest importance**

Sector Heatmap & Leadership (U.S. 1-day)

Sector	1-Day % Change	Leader	Catalyst / Commentary
Information Technology	+0.93%	—	Outperformed as demand for cloud, AI infrastructure, and semiconductors remained resilient.
Industrials	–0.14%	—	Slight pullback amid softer manufacturing signals and weaker transportation sentiment.
Financials	–0.39%	—	Weighed down by rate volatility and cautious loan-growth expectations.
Real Estate	–0.66%	—	Pressured by higher long-end yields and slowing property-market activity.

Top 10 U.S. Movers

Gainers	Losers
KYMR +41.55% — Kymera Therapeutics, Inc. Rallied after strong clinical-data optimism and heavy biotech inflows.	MOB –15.48% — Mobilicom Ltd. Fell sharply on weak sentiment toward micro-cap tech names.
CFLT +29.08% — Confluent, Inc. Surged as demand for data-streaming platforms stayed strong and volume spiked.	APD –9.45% — Air Products and Chemicals, Inc.Declined after guidance concerns and softer industrial-gas outlook.
CVNA +12.06% — Carvana Co. Rose on continued operational improvements and stronger used-car pricing.	CRK –9.39% — Comstock Resources, Inc. Weakened with declining natural-gas pricing and cautious forward demand.
ARWR +11.65% — Arrowhead Pharmaceuticals, Inc.Advanced on positive momentum in RNA-based therapeutic programs.	LEGN –7.15% — Legend Biotech Corp. Pulled back after biotech volatility and profit-taking.
PRAX +9.27% — Praxis Precision Medicines, Inc.Extended biotech-sector gains on steady high-volume upside.	MRVL –6.99% — Marvell Technology, Inc. Slipped on semiconductor softness and rotation out of higher-beta tech.

Day Ahead

In the day ahead, focus is on the Fed's decision, vote split, and guidance on the 2026 easing path. U.S. data, Treasury auctions and term premia will shape how far easier policy can support growth. A softer dollar would aid EM carry, but Mexico's tariff plans keep trade risks alive. Positioning in gold and oil stays cautious, while European and Asian equities will react mainly to the Fed tone and China's export/rare-earth signals.

Global Top Movers - ex-U.S.

Gainers	Losers
UN0 +6.31% — Uniper SE. Rose as energy markets stabilized and investor sentiment improved toward European utilities.	9678 –17.00% — Unisound AI Technology Co. Dropped sharply on weak AI-hardware sentiment and low liquidity.
TALABAT +6.05% — Talabat Holding Plc. Gained on improving food-delivery and strong regional demand.	2799 –11.65% — China CITIC Financial Asset Mgmt. Sold off amid credit-quality worries and elevated market volumes.
ABVX +5.94% — Abivax SA. Advanced on positive interest in late-stage clinical programs.	ULVR –6.64% — Unilever PLC. Weakened as consumer-staples names faced margin and pricing pressure.
8210 +5.68% — Bupa Arabia for Cooperative Insurance. Benefited from steady premium growth and supportive sector trends.	868 –6.22% — Xinyi Glass Holdings Ltd. Fell on softer construction demand and weaker pricing in glass materials.
CLS +5.12% — Celestica Inc. Continued rising on strong momentum in electronics manufacturing and data-center orders.	1258 –5.82% — China Nonferrous Mining Corp. Declined as metals-market sentiment softened and demand expectations cooled.

Strategy Takeaway

We remain moderately constructive on U.S. risk assets into the Fed, favouring quality equities, investment-grade credit and selective AI/alt-credit names while fading the most stretched index-driven single-stock spikes. A clearly dovish cut with limited dissent would support extending risk, whereas a hawkish-sounding cut, hotter-than-expected upcoming inflation, or Brent sliding sustainably below $70 would argue for rotating back toward defensives, shorter duration and a tactically stronger dollar stance.